

Message Text

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ACTION EB-03

INFO OCT-01 EUR-10 EA-07 ISO-00 AEC-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-01

INR-10 INT-01 L-02 NSAE-00 NSC-07 OMB-01 PM-03 RSC-01

SAM-01 SCI-03 SP-02 SS-14 STR-01 TRSE-00 FRB-01 AF-04

ARA-10 NEA-06 DRC-01 /103 W
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R 091443Z OCT 74 ZDK
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 3913
INFO AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
USMISSION EC BRUSSELS
AMEMBASSY CANBERRA
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
AMEMBASSY OTTAWA
AMEMBASSY PARIS
USMISSION OECD PARIS
AMEMBASSY OSLO
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
AMEMBASSY WELLINGTON

C O N F I D E N T I A L VIENNA 8661

E.O. 11652: GDS
TAGS: ENRG, AU, IT
SUBJECT: AUSTRIA AND IEP ACCORD
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REFS: (A) VIENNA 8148 (NOTAL) (B) STATE 213252

1. SUMMARY: SENIOR MINISTRY OF TRADE OFFICIAL INCLINED TO FAVOR AUSTRIAN MEMBERSHIP IN IEP, MOTIVATED IN PART BY DESIRE TO IMPLEMENT EMERGENCY STORAGE PROGRAM. MEETINGS AMONG AUSTRIA, SWITZERLAND AND SWEDEN CONTINUE. (END SUMMARY).

2. DURING CONVERSATION ON RECENT ENERGY DEVELOPMENTS WITH ECONCOUNS, SEKTIONSCHEF FRANK, IN CHARGE OF ENERGY MATTERS IN MINISTRY OF TRADE, REVEALED HE HAD ATTENDED MEETING IN ZURICH ON SEPTEMBER 17 WITH SWISS AND SWEDES REGARDING IEP. FRANK SAID THAT THERE WERE SOME DIFFERENCES IN ATTITUDE TOWARDS IEP WHICH HE FELT WAS UNDERSTANDABLE SINCE "THE SWEDES HAVE TANKERS, THE SWISS HAVE NO NATIONAL OIL COMPANY AND DEPEND ON THE MULTINATIONALS, AND AUSTRIA HAS CRUDE OIL RESERVES FOR MINIMUM REQUIREMENTS." ASKED HOW THE GOA FEELS ABOUT IEP, FRANK MADE FOLLOWING OBSERVATIONS.

3. FROM VIEWPOINT MINISTRY OF TRADE, GOA SHOULD BECOME MEMBER. FRANK SAID THAT MEMBERSHIP WOULD GIVE MINISTRY LEVERAGE TO PUSH THROUGH BADLY NEEDED EMERGENCY STORAGE PROGRAM SUCH AS SWISS HAVE HAD FOR MANY YEARS. HE FELT THAT A 90 DAY RESERVE SHOULD BE MINIMUM STANDARD FOR AUSTRIA. AT SAME TIME, FRANK CONTINUED, IEP SHOULD BE IN OECD FRAMEWORK. FURTHERMORE, IP SHOULD BE DESIGNED IN SUCH WAY THAT IT WOULD "SUSTAIN HARMONY AMONG CONSUMERS AND AVOID CONFLICT WITH PRODUCERS." EXPANDING ON LATTER POINT, FRANK COMMENTED THAT MEMBERSHIP IN IEP SHOULD NOT AFFECT AUSTRIA'S "TRADITIONAL SOURCES OF SUPPLY" NOR THE NEW "COOPERATIVE ARRANGEMENTS" WHICH GOA CURRENTLY PURSUING WITH PRODUCING COUNTRIES SUCH AS IRAN.

4. REGARDING IEP'S RELATIONSHIP TO THE OIL COMPANIES, FRANK WONDERED WHETHER IEP WAS A "CREATION OF THE MULTINATIONAL OIL COMPANIES." ECONCOUNS ASSURED HIM IT WAS NOT. FRANK CONTINUED THAT HE HOPED THE INTEREST OF NATIONAL OIL COMPANIES SHOULD BE TAKEN FULLY INTO
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ACCOUNT AND THAT HE ASSUMED THAT IN DUE COURSE THERE WOULD BE CONSULTATIONS BETWEEN IEP AND NATIONAL AS WELL AS MULTINATIONAL COMPANIES. FRANK ADDED THAT THUS FAR GOA HAD NOT CONSULTED (ON IEP) WITH THE INTERNATIONAL OIL COMPANIES OPERATING IN AUSTRIA NOR WITH OEMV (AUSTRIA'S NATIONAL COMPANY).

5. ECONCOUNS ASKED WHETHER HIS POSITIVE ATTITUDE TOWARDS AUSTRIA'S JOINING IEP WAS SHARED BY FOREIGN MINISTRY. FRANK REPLIED THAT SUBJECT UNDER CAREFUL

REVIEW, PARTICULARLY ISSUE OF IMPACT OF MEMBERSHIP ON AUSTRIA'S NEUTRALITY. FROM HIS VIEWPOINT MEMBERSHIP WOULD NOT BE CONTRARY TO AUSTRIAN NEUTRALITY. HOWEVER, HE ENVISAGED POSSIBLE PROBLEMS IF IEP ACTIONS WERE TAKEN AS A RESULT OF WARFARE OR MILITARY MEASURES. HE FELT THIS PROBLEM COULD BE RESOLVED THROUGH NEGOTIATION OF A SPECIAL ANNEX TO THE IEP ACCORD COVERING THE "SPECIAL SITUATIONS" APPLICABLE TO AUSTRIA, SWITZERLAND AND SWEDEN. FRANK IMPLIED THAT SUCH AN ANNEX IS BEING CONSIDERED BY THE THREE NEUTRALS AND NOTED THAT THERE WOULD BE A FURTHER MEETING OF THE THREE THIS WEEK.

6. IN CONCLUSION FRANK SAID HE WAS BEING ADEQUATELY INFORMED ABOUT IEP AND REITERATED HIS HOPE THAT OUR INITIATIVES IN THE ENERGY FIELD WOULD CONTRIBUTE TO INTERNATIONAL SOLIDARITY. HE REITERATED THE GOA VIEWPOINT OF AVOIDING ASSOCIATION WITH AN INSTRUMENTALITY THAT MIGHT LEAD TO A CONSUMER-PRODUCER CONFRONTATION. THE GOA WOULD CONSIDER JOINING THE IEP PROVIDED THAT A SATISFACTORY ARRANGEMENT CAN BE WORKED OUT TO ALLOW FOR AUSTRIA'S SPECIAL NEUTRAL SITUATION. HE NOTED THAT PARLIAMENTARY ACTION PROBABLY WOULD BE REQUIRED TO RATIFY SUCH AN ARRANGEMENT.

7. COMMENT: FRANK IS LEADING AND MOST INFLUENTIAL SPOKESMAN ON ENERGY MATTERS IN GOA AND EVIDENTLY HAS SOME INTEREST IN MOVING AUSTRIA INTO IEP. HOWEVER, IT IS NOT A FOREGONE CONCLUSION THAT THE FINAL GOA DECISION WILL BE POSITIVE AND MUCH WILL DEPEND ON THE OUTCOME OF CURRENT DELIBERATIONS AMONG THE THREE NEUTRAL STATE. IN SUM THE GOA IS KEEPING ITS OPTIONS OPEN. HUMES
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